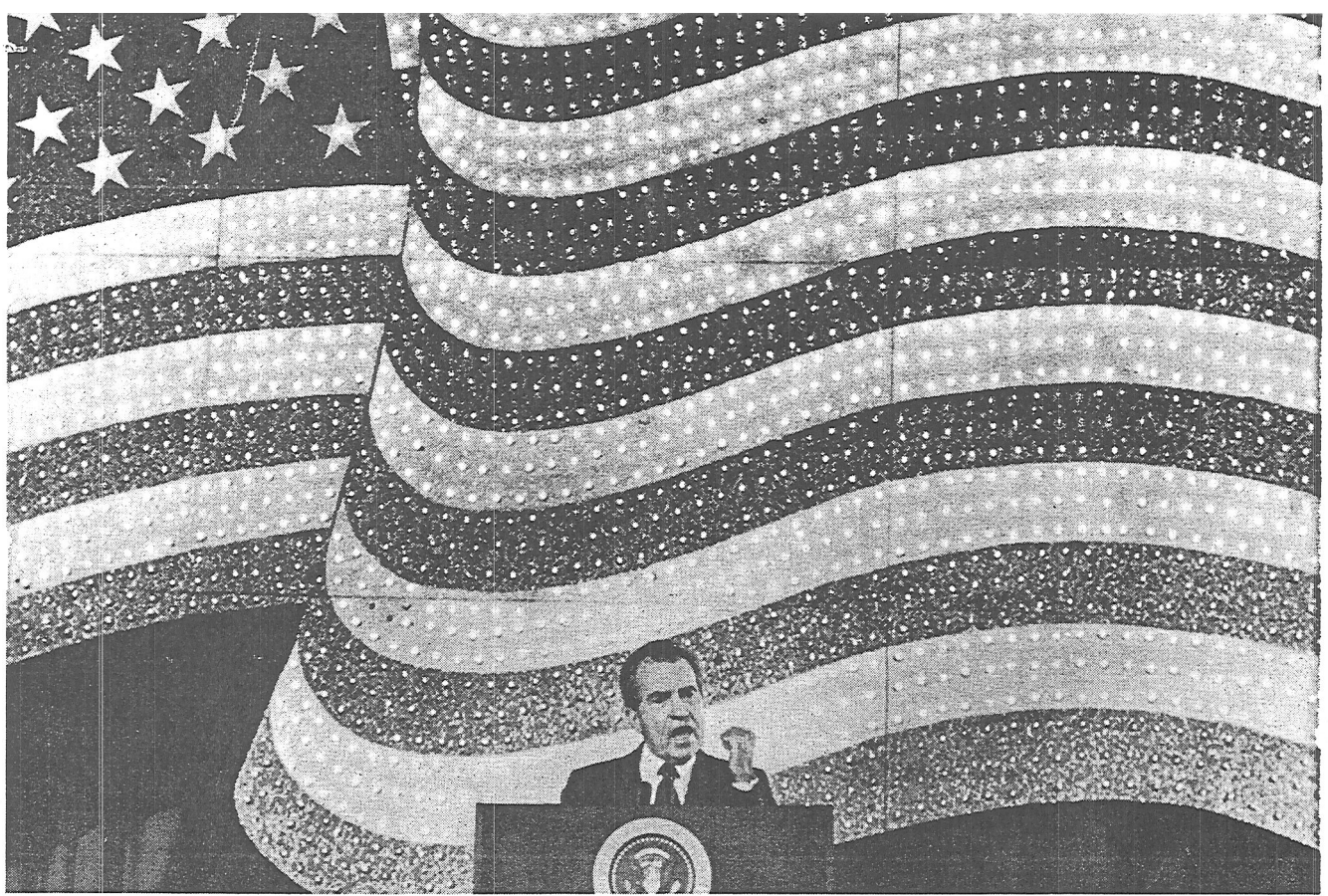




NIXON ADDRESSING NATIONAL ASSOCIATION OF REALTORS IN FRONT OF FLAG FESTOONED WITH COLORED LIGHTS

THE CRISIS

Nixon Presses His Counterattack

Once more a presidential counterattack on Watergate was under way. For no less than the 13th time since the scandal began to unfold eight months ago, Richard Nixon vowed to disclose all of the facts and put the sorry affair to rest. After a blitz of nine White House meetings and two public appearances, he had shed little new light on the controversy. But he had emerged, however belatedly, out of isolation and boldly entered the public arena, where the fate of his presidency will be determined.

Nixon tried manfully to assuage the doubts of 21 Republican Party leaders, 220 G.O.P. members of Congress, and 46 generally sympathetic Democratic legislators. He drew a rousing ovation from 3,000 friendly members of the National Association of Realtors when he declared: "As far as the President of the United States is concerned, he has not violated his trust and he isn't going to violate it now." He took on the tough televised questions of news executives at the Associated Press Managing Editors convention in Florida. Through it all, the President managed to make one point clear: he intends to fight to keep his job.

Although visibly nervous and erratic in his pronunciation and syntax, the President used his hour-long press conference in a hotel at Florida's Disney World for a bravura performance. Forcefully he repeated his earlier expla-

nations of various aspects of the entire affair, including his nonexistent tapes, his large tax deductions, his personal finances and his dealings with dairy producers. If there was little new in this, it was extraordinary to hear the President declare: "The people have to know whether or not their President is a crook. Well, I am not a crook. I have earned everything I've got." He had "never profited from public service," Nixon said. "And in all my years of public life, I have never obstructed justice."

No Back-Up. Scrappily and sometimes humorously defending himself, Nixon said that many of the improprieties in his 1972 campaign occurred because "I was frankly too busy trying to do the nation's business to run politics." He still felt that his departed aides John Ehrlichman and H.R. Haldeman "were dedicated, fine public servants" who will "come out all right" when criminal investigations are complete. He assailed the injustice of a situation in which "they have already been convicted in the minds of millions of Americans by what happened before a Senate committee." In an embarrassing slip of the tongue, Nixon declared: "Both men ... are guilty until I have evidence that they are not guilty."

Nixon offered a strangely oblique defense—or nondefense—of his former Attorney General John Mitchell and his

failure ever to ask Mitchell what he knew about the Watergate wiretapping operation. "I had every reason to believe that if he were involved, if he had any information to convey, that he would tell me," Nixon said. But then Nixon suggested: "Looking back, maybe I should have cross-examined him and said, 'John, did you do it?'" In another unusual remark, Nixon noted that in order to save fuel he had not brought the usual back-up aircraft to Florida, and added: "I don't need a back-up plane. If this one goes down, it goes down—then they don't have to impeach."

While declaring that "the man at the top must take responsibility," Nixon spread blame broadly for the present national turmoil over Watergate. He criticized Archibald Cox, the special prosecutor whom he had fired, for taking so long to indict or clear former Nixon associates of criminal charges—ignoring the fact that his own legal fight to protect his tapes caused much of the delay. He blamed his inaudible or nonexistent tapes partly on the inadequacies of the "lapel mikes" and "little Sony" recorders used in the White House, explaining, "This was no Apollo system."

He said he had taken a tax deduction of some \$500,000 for his vice-presidential papers at the suggestion of former President Lyndon Johnson, and he declared: "I will be glad to have the pa-

pers back and I will pay the tax, because I think they are worth more than that." He had raised dairy price supports, he insisted, not because of large contributions from dairy producers but because "Congress put a gun to our heads." Democrats in Congress, he said, were demanding even higher support prices. So he had acted to ensure a lesser raise.

Asked whether he still believed in "absolute executive privilege," Nixon said that he had voluntarily turned over large numbers of documents for investigation but said he still had "a responsibility to protect the presidency" by assuring confidentiality of White House advice. He again cited the instance of President Jefferson's supplying information for the trial of Aaron Burr—and again had his history wrong.* Nixon promised to provide detailed written refutations of the various allegations made against him.

Buying Time. The week of whirlwind activity obviously bought Nixon more time in his uphill struggle to regain his party's and his nation's confidence. Yet he also reopened the self-inflicted wounds of the damaging Saturday Night Massacre at the Justice Department. He accused a foremost symbol of rectitude in his Administration, resigned Attorney General Elliot Richardson, of lying about his role in that showdown. And he was sharply, if indirectly, reprimanded by his continuing nemesis in the legal struggle: the federal courts. These setbacks were at least partly offset by his week-long demonstration of self-control and mental agility, which eased some of the mainly unspoken but widely held concern about his emotional stability.

In sheer energy and ambitiousness, Nixon's meetings with Senators, Congressmen and party leaders were nearly heroic. They were called in lots ranging from six Southern Democratic

Senators to 78 Republican Congressmen. The sessions gradually expanded from an unsatisfying Nixon monologue to a tough exchange of views. Many of the President's listeners were impressed by his combative mood and at least outward confidence under fire.

Even a longtime critic, California Republican Paul N. ("Pete") McCloskey, praised Nixon's "state of physical and emotional health" and added: "He looked to me like he relished the combat he was in." Declared another critic, Massachusetts Republican Governor Francis W. Sargent: "He has a strength that is really amazing; he was cool and clear and precise—and with no notes in front of him." Said Republican Senator Howard Baker: "I've never witnessed a more frank presidential conversation."

Shifting from large dinners in the State Dining Room to cozy cocktail sessions in the upstairs solarium, the sessions were brutally candid at times. Some participants felt painfully uncomfortable listening to the President pleading, although not contritely, for understanding. Called on to give his views, Republican Senator Barry Goldwater pulled no punches. "The only time you have us down here," he complained to Nixon, "is when you get your ass in a crack and want us to get it out for you." As others laughed nervously at Goldwater's coarse language, Nixon stared stonily, obviously irked at the remark.

Another tense moment came when Republican Senator Edward W. Brooke told Nixon what he had previously said publicly. "I have reluctantly come to the conclusion, Mr. President, as painful as it is to me, that you should resign." Rarely in U.S. history had such a direct request come from a respected member of a President's own party. Replied Nixon: "Ed, I understand your reasoning, and I'm not hurt or angry, but that would be taking the easy way out, and I can't accept your recommendation."

Perhaps harshest of all was Oregon's Republican Senator Bob Packwood, who told Nixon that "credibility has always been your short suit." He observed that "when one person gives his word to

another, that is a bond which those of us in politics revere highly. Congress believes you breached your word in the firing of Cox." And he told Nixon: "For too long this Administration has given the public the impression that its standard of conduct was not that it must be above suspicion, but that it must merely be above criminal guilt. Mr. President, that is not an adequate standard of conduct for those who have been accorded the privilege of governing this country."

When Packwood finished, the room was quiet. Nixon said nothing. Michigan Senator Robert P. Griffin broke the stillness by suggesting that some of Packwood's ideas were good, and the discussion turned to whether Nixon's credibility could be aided by his confronting a select group of newsmen.

Pure Hell. Nixon, too, was blunt at times. Responding to suggestions that he should make a detailed defense before a joint session of Congress, Nixon said with a smile that it might be ineffective because "the Democrats would probably say 'The son of a bitch is lying,' and the Republicans would probably say 'Well, he's lying, but he's our son of a bitch.'" Nixon conceded at one point that he had experienced "seven months of pure hell over Watergate." He pleaded: "If you cut the legs off the President, America is going to lose." Urged to consider impeachment in order to clear the air, Nixon said: "I will not put the country through that."

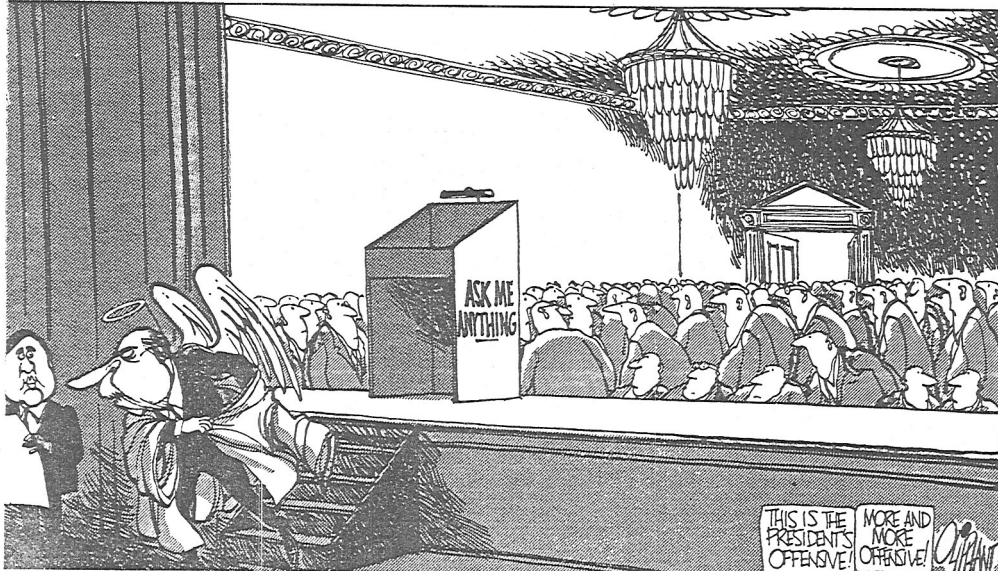
While the net impact of the week's sessions was a plus for the President, some participants were critical. A conservative Republican Congressman, Ohio's John M. Ashbrook, said the content "boiled down to 'Believe us or believe them.'"

Nixon used the meetings to make a surprising attack on the credibility of Richardson, who had resigned rather than follow presidential orders to fire Special Prosecutor Cox. Nixon and his

"Don't forget, I'm in the line of fire."

*Nixon said Chief Justice John Marshall ordered Jefferson to turn over a letter relating to Burr, but Jefferson refused and submitted a summary of the correspondence. Actually, Jefferson voluntarily supplied the actual document.

"I want a list of names of all those who asked embarrassing questions!"



chief of staff, Alexander Haig, both contended that Richardson had misled them by at first agreeing with Nixon's orders that Cox must stop seeking presidential papers in court, and with the plan to let Mississippi Senator John C. Stennis "authenticate" a White House transcript of presidential tapes wanted by Watergate prosecutors. Then, the White House charged, Richardson "got cold feet" and quit.

The attempts to impugn Richardson were carried out in two of the Nixon meetings. At a Tuesday session with Senators, Richardson's name came up, and Nixon said there was a great difference between "what Richardson had stated and the course he had taken," but added: "I don't want to hurt Elliot Richardson." Objected Senator Marlow W. Cook: "Hell, Mr. President, if there is a choice between not wanting to hurt Elliot Richardson and having absolute facts to refute what he said, I think it absolutely essential to the presidency that the information should be made known." Nixon demurred.

Not True. But the next evening Nixon escalated the attack. When Senator Charles Percy referred to the Cox affair, Nixon quickly cut in. "Now," he said, "I want General Haig to recount the events of that week." Haig claimed that Richardson had actually originated the idea to halt all further efforts by Cox to seek documents through court action. "But General," objected Senator Charles McC. Mathias Jr., "that contradicts Elliot's sworn testimony."

Nixon: But he wasn't telling the truth.

Mathias: But Mr. President, he was under oath.

Nixon: You don't think you're going to get him for perjury, do you?

When one version of this exchange leaked out, the White House, incredibly, clung to a semantic denial, saying Nixon had not accused Richardson of lying but of "simply articulating one of the several versions of the events." It was a curious performance—first an attack on Richardson, then a denial that an attack had been intended—but it got the White House version out.

Richardson told TIME that the Nixon-Haig version was "very clearly and demonstrably untrue." He helped draw up the Stennis plan, he said, but he threatened to resign when he was told by Haig that Cox would be fired if he did not agree with the proposal. Richardson said he asked for a meeting with Nixon on that Friday morning to present his resignation notes. But Haig met him and agreed to drop the idea of firing Cox, Richardson said. That pacified Richardson.

On that Friday night, however, Richardson received a letter from Nixon linking the Stennis proposal to an order to Cox forbidding him to seek any more presidential documents in court. Richardson said he immediately called Nixon Adviser Bryce Harlow and advised him that he would publicly oppose



NIXON REPLYING TO A QUESTION AT THE A.P.M.E. CONFERENCE IN FLORIDA
"I'm not a crook. I've earned everything I've got."

any such restriction on Cox. Harlow reassured him in a way that led Richardson to think that the White House had retreated again. Within hours the President's statement was released, ordering Cox to desist, and so Richardson resigned. Sworn testimony by Cox as well as two written statements prepared that week by Richardson support the Richardson account.

Unaccountably, Nixon also assailed Cox, contending that he had been in favor of the Stennis plan, and that "we did not know until Saturday [Oct. 20] that he had changed his mind." Yet at the time Cox had released copies of correspondence with Charles Alan Wright, Nixon's counsel, which showed that Cox had raised eleven objections to the plan on the preceding Thursday and that Wright had acknowledged this the same day, then added in a Friday letter: "Further discussions between us seeking to resolve this matter by compromise would be futile."

Nixon's position on the Cox firing was further undermined last week by Federal Judge Gerhard A. Gesell, who ruled flatly that the dismissal was "in clear violation of an existing Justice Department regulation having the force of law and was therefore illegal." Acting Attorney General Robert H. Bork, following Nixon's orders, had abolished the special prosecutor's post, ruled Gesell, as "simply a ruse to permit the discharge of Mr. Cox." This was demonstrated, he wrote, by the prompt recreation of the post. The judge said there was no need to take action to reinstate Cox, since Cox had made no effort to get the job back, and in fact had said he did not want it.

The White House admitted last week that a third tape was now either missing or nonexistent. This was a Dictabelt recording that Nixon had claimed he made after talking to John Dean on April 15. He had offered to make this recording available as evidence of his version of the April 15 conversation, since

the White House recording of the conversation itself was "nonexistent"; a recorder, Nixon contends, had run out of tape. But now, Nixon said in a written statement, he had checked his "personal diary file" for April 15 and found some "personal notes" of the conversation with Dean, "but not a dictation belt."

New Mystery. This presented a new mystery, since Assistant Attorney General Henry E. Petersen had told the Senate Watergate Committee—and he repeated it last week in Sirica's hearings on the missing tapes—that Nixon had called him on April 18 and told him he had "a tape" of the Dean conversation. Nixon called Petersen later to tell him he had meant that he had dictated a memo about the conversation and that this was on tape. The questions of one of the prosecutors, Richard Ben-Veniste, indicated that Ben-Veniste believed that there never was a Dictabelt memo, but that Nixon's second call to Petersen was made to prevent the prosecutors from becoming aware of the elaborate White House recording system. If true, this would mean that Nixon must have believed that the entire April 15 conversation was indeed on tape.

Throughout the week Nixon said he was trying to find a way to get all the evidence presented to the public but that it was tied up in the courts, particularly in Judge John J. Sirica's court. In an unusual judicial move, Sirica issued a formal statement, declaring: "If the President thinks it advisable to waive any privilege and make tapes or other material public, he of course is free to do so at any time." TIME has learned that Sirica felt he was being used by the White House as an excuse to stall in releasing material to the public. Sirica also said he did not want to accept any White House documents that had not been subpoenaed by prosecutors, since his court should not become "a depository of non-subpoenaed matter." Nixon, he said, should deal with the prosecutors on any unrequested evidence.

CAMPAIGN FINANCING

Why It Was Better to Give Than . . .

The two-way potential for covert dealing between U.S. corporations and elected officials is so obvious that it has been illegal for federal candidates to accept corporate funds, or for executives to offer them, since the trust-busting days of 1907. Yet the laws forbidding such practices, observes Ashland Oil Inc. Board Chairman Orin E. Atkins, are primarily "honored in the breach." Atkins has reason to know. He heads one of seven major U.S. corporations* that have admitted dipping unlawfully into the company till for contributions to Richard Nixon's 1972 re-election campaign. Last week executives from six of the firms testified before the Senate Watergate committee, providing a rare glimpse into the

would find it hard to turn down. Three of the companies were approached by the indefatigable Maurice Stans, either while he was still serving as Commerce Secretary or soon after he had resigned to head the Finance Committee to Re-Elect the President. Herbert Kalmbach, the President's personal attorney, was in touch with two others, including American Airlines, whose chief competitor, United Air Lines, happened to be a Kalmbach client. The sixth was visited by a lower-level fund raiser whose credentials were personally verified by John Mitchell, then serving as Attorney General. Not that Nixon's men had to get rough. George A. Spater, until recently the chairman of

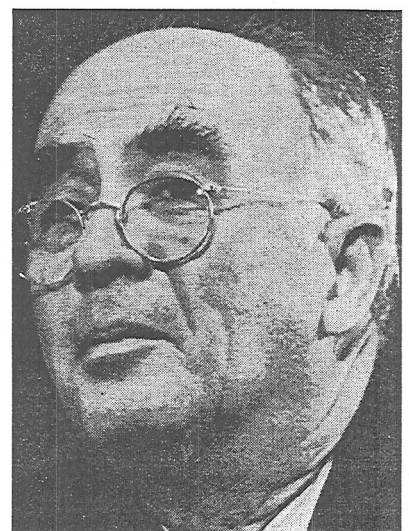
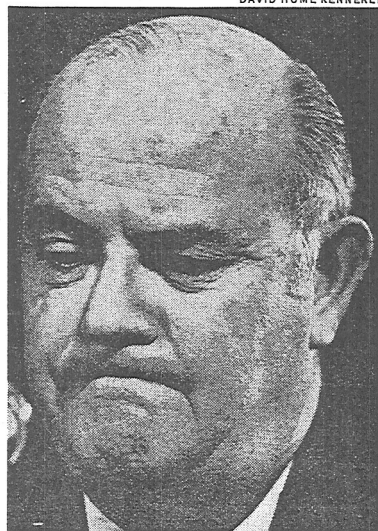
fund raisers never specifically asked for corporate funds, but spoke in amounts so large that there was little choice but to use company cash. Stans, said Gulf Vice President Wild, "indicated that he hoped to obtain \$100,000 each from the large American corporations"; Wild was left with the impression "that this was kind of a quota."

Disguises. Like American, most of the other corporations "laundered" their contributions by tapping foreign subsidiaries or making phony payments to foreign companies. The American Ship Building Co. chose a more complicated method: it issued "bonuses" to employees, who then forwarded the proceeds to various Nixon committees designated by American Ship Building Chairman George M. Steinbrenner III.

Stans urged contributors to get their money to him before April 7, 1972, the day that a new campaign law requiring full disclosure of big donors went into ef-

DAVID HUME KENNERLY

WALTER BENNETT



ORIN E. ATKINS

CLAUDE C. WILD JR.

RUSSELL DeYOUNG

GEORGE A. SPATER

Companies that gave \$100,000 were in a "special class"; those that refused faced terra incognita.

details of high-level political financing.

The hearings produced the Watergate committee's first, long-promised evidence implicating Democrats as well as Republicans in illegal campaign practices during 1972. Gulf Oil Corp.'s vice president for governmental relations, Claude C. Wild Jr., testified that he used corporate funds to make donations not only to the President (\$100,000) but also to Democratic Hopefuls Henry Jackson (\$10,000) and Wilbur Mills (\$15,000). Still, by all accounts the Nixon team pushed for and succeeded in getting big gifts from corporation executives—with no questions asked about the source of the funds—to a degree unprecedented in previous campaigns.

For one thing, the President's solicitors were men whom most executives

*Ashland Oil Inc. (\$100,000); Gulf Oil Corp. (\$100,000); Braniff Airways Inc. (\$40,000); American Airlines (\$55,000); Goodyear Tire & Rubber Co. (\$40,000); 3M Co. (\$30,000); Phillips Petroleum Co. (\$100,000). Employees of an eighth, the American Ship Building Co., testified that they cooperated in donating \$26,200 in corporate funds to Nixon's campaign, but the company itself has admitted no wrongdoing.

American Airlines, was courted by Kalmbach over dinner at Manhattan's chic "21" Club. His host was "a very soft-sell, a very congenial gentleman," said Spater.

Kalmbach asked for a donation of \$100,000, Spater continued, and "I was told that contributions of this amount would be regarded as in a special class." American's ex-chairman likened any thought of refusing to cooperate to the terra incognita on ancient mariners' charts, which is filled "with all sorts of fierce-looking creatures." It was not, he explained, so much a matter of what favors a hefty gift might buy as a fear of what might happen to his federally regulated firm if it did not cough up handsomely. Eventually Spater arranged to issue a false invoice for \$55,000 to a Lebanese subsidiary, which transferred the money through a Swiss bank back to the U.S., where it was delivered to the committee. He raised another \$20,000 from "personal sources."

American's was a typical experience. According to the witnesses, Nixon

fect. Several months later, however, a federal court in Washington, responding to a Common Cause suit, ruled that anonymity for large contributors was illegal even under the old law and ordered the Finance Committee to name them.

Last week's testimony revealed that yet another Administration cover-up may well have been attempted in that process. Stans and other committee representatives returned to their original corporate contacts and asked them to submit lists of individual donors to cover their gifts. Such disguises are not unusual; a prime backer of Hubert Humphrey, New York Financier John Loeb, was fined earlier this year for funneling a large donation through several employees. Ashland received a letter from Committee Counsel Kenneth Parkinson simply stating that Atkins and his wife would be named as the source of the \$100,000 given by Ashland. He assumed that the committee got his wife's name from "President Nixon's Christmas card list," Atkins testified.